GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:717
ANSWERED ON:03.03.2008
INVESTMENT IN AGRICULTURE
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether some public as well private sector companies have proposed to invest funds for the development of agriculture;

(b) if so, the details thereof, State-wise;

(c) whether the Government proposes to enhance investment in the agricultural sector by encouraging the states to allocate funds in the same ratio as the centre; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI KANTI LAL BHURIA)

(a)&(b): Public as well as private sector participation is encouraged in developing agricultural marketing infrastructure and in providing alternate marketing channels for agri-produce in order to facilitate establishment of private markets, allow direct marketing and contract farming to improve post-harvest management under the Central Sector Scheme for Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization. Under the Scheme, credit linked investment subsidy is provided at the rate of 25 percent of capital cost of the project subject to a maximum of Rs. 50 lakhs for each project. Under the Central Sector Scheme `Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds`, assistance is provided for boosting seed production in the cooperative, public and private sector. Capital subsidy is provided to State Seeds Corporations, State Agricultural Universities, private companies, individual entrepreneurs, self-help groups and seed co-operatives at the rate of 25 per cent of the project cost on seed infrastructure development.

(c)&(d): Government has launched Rashtriya Krishi Vikas Yojana (RKVY), a State Plan Scheme, for the Eleventh Plan period to incentivise the states to increase public investment in Agriculture and allied sectors. The eligibility for assistance under the scheme would depend upon the amount provided in State Plan Budgets for Agriculture and allied sectors, over and above the base line percentage expenditure incurred by the State Governments on Agriculture and allied sectors. The funds under the RKVY would be provided to the States as 100 per cent grant by the Central Government. An outlay of Rs.1,500 crore for the Scheme for 2007-08, along with an allocation of Rs.25,000 crore for five years has been approved.